



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

May 6, 1999

Alan V. Pugh, Esquire  
Gavin, Cox, Pugh, Gavin, Etheridge and Wilhoit  
119 Worth Street  
Asheboro, N.C. 27203

RE: MUR 4797  
Sixth Congressional District Republican Party  
Collette Hoover, as treasurer

MUR 4798  
Randolph County Republican Executive Committee  
Laverne A. Williams, as treasurer

Dear Mr. Pugh:

On April 28, 1999, the Federal Election Commission accepted the signed conciliation agreements submitted on your above-referenced clients' behalf in settlement of violations of 2 U.S.C. § 441a and 11 C.F.R. § 102.5, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations. Accordingly, the file in MUR 4797 has been closed and the file in MUR 4798 has been closed as it pertains to your clients.

In MUR 4797, the confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement in MUR 4797, however, will become a part of the public record.

MUR 4798 will become public within 30 days after it has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply in MUR 4798 with respect to all respondents still involved in this matter. The Commission will notify you when the entire file in MUR 4798 has been closed.


MURs 4797 & 4798

Alan Pugh, Esq.

Page 2

Enclosed you will find copies of fully executed conciliation agreements for your files. Please note that the first installments of the civil penalties are due within 30 days of the effective date of the conciliation agreements. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

  
Xavier K. McDonnell  
Attorney

Enclosures:

Conciliation Agreements

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 )  
Sixth Congressional District ) MUR 4797  
Collette Hoover, as treasurer )  
 )

**CONCILIATION AGREEMENT**

This matter was initiated by Federal Election Commission ("Commission") based upon information ascertained in the normal course of exercising its supervisory duties. See 2 U.S.C. § 437g(a)(2). The Commission found reason to believe that the Sixth Congressional District (or "6<sup>th</sup> District") and Collette Hoover, as treasurer ("Respondents") violated 2 U.S.C. § 441a(f) and 11 C.F.R. § 102.5(a).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Sixth Congressional District is a political committee within the meaning of 2 U.S.C. § 431(4)(C) and is registered with the Commission. The Sixth Congressional District is

also a state party executive committee under North Carolina law and is therefore also registered and files reports with the N.C. State Board of Elections.

2. Collette Hoover is the treasurer of the respondent committee.

3. A state party committee that has established only a federal account shall receive only funds subject to the limitations of the Federal Election Campaign Act of 1971, as amended ("the Act") regardless of whether such funds are for use in connection with federal or nonfederal elections. 11 C.F.R. § 102.5(a)(1)(ii).

4. The Act provides that no person or multicandidate committee shall make contributions to a state or local party committee's federal account in any calendar year which in the aggregate exceed \$5,000, and prohibits the state or local committee from knowingly accepting such contributions. 2 U.S.C. § 441a(a) and (f); *see also* 11 C.F.R. § 110.3(b)(3).

5. North Carolina State law does not impose any limitation on the amount of funds that party committees may accept. *See* General Statutes of North Carolina §§ 163-278.

6. The Randolph County Republican Executive Committee ("Randolph Committee") is a party committee that is not registered with the Commission and which, pursuant to North Carolina law, lawfully accepts funds in excess of the limitations imposed by the Act.

7. Just prior to the 1996 elections, the Randolph Committee sought to purchase communications that would aid Republican candidates running for state election in Alamance and Guilford counties, which are within the Sixth Congressional district. To avoid questions that would be raised by having the Randolph Committee identified as the sponsor of these communications, the Randolph Committee transferred the funds to the 6<sup>th</sup> District so that the 6<sup>th</sup> District could be identified as the sponsor.

8. To carry out the plan explained in paragraph 7 above, the Randolph Committee issued three checks to the 6th District that were deposited in the 6<sup>th</sup> District's federal account.

Specifically, on October 22, 1996, the Randolph Committee issued two checks to the 6th District totaling \$22,425. On the same day, the 6th District issued two checks to Advantage Mailing, totaling \$22,376 for two voter mailings. The Randolph Committee also issued a \$10,000 check to the 6<sup>th</sup> District on October 17<sup>th</sup>, and at that time, the 6th District issued a check in the same amount for a radio ad that only candidates for state election. All the foregoing communications indicated that they were paid for by the 6<sup>th</sup> District.

9. Respondents contend that the purpose of the mailings at issue was to aid candidates for election to the North Carolina General Assembly. Respondents only maintain one account, which is considered their federal account.

V. Respondents accepted impermissible funds from an unregistered committee, in violation of 2 U.S.C. § 441a(f) and 11 C.F.R. § 102.5(a).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Six Thousand Dollars (\$6,000) pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

a. an initial payment of three thousand dollars (\$3,000) shall be paid within thirty (30) days;

b. the remaining three thousand dollars (\$3,000) shall be paid within sixty (60 ) days;

c. in the event that any installment payment is not received by the Commission when it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten (10) days written notice to

the Respondents. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future installments.

2. Respondents will take steps to ensure that they do not accept into their federal account any funds from organizations that are not registered with the Commission.

3. Respondents have cooperated fully with the Commission in this matter.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.


IX. Respondents shall have no more than 60 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

5/5/99  
Date

FOR THE RESPONDENTS

  
Alan Pugh  
Attorney for Respondents

4/5/1999  
Date

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